



Retrospective Rating Program
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DATE: September 30, 1999

TO: Retro Advisory Committee

FROM: Frank Romero (Chair), Retro Program Manager

SUBJECT: Minutes of 08/10/99 retro advisory committee meeting

The meeting was called to order at approximately 1:08 PM, by committee chair Frank Romero. After introductions of the committee members and members of the public the meeting commenced.

A motion was made and seconded to approve the minutes of the previous meeting as published; motion carried.

Jody Moran discussed the status of the claims management in-training program. She provided an overview of the legislatively-mandated changes in claim policies and procedures and briefly reviewed the department's report to the JLARC on the performance audit recommendations. Jody also gave an update on the 48-Hour Contact Project.

Judy Schurke and Patricia Latsch (Board of Industrial Insurance Appeals) and Scott Corvin (L&I Appeals Unit) discussed the affect of multiple orders in a single day (MOSD) on claim adjudication, including reassumption of jurisdiction. Currently, there is an "informal agreement" governing this situation (not official policy). It is possible for claim managers to issue more than one order in a single day (on a single claim), though it is up to the individual CM, based on the specific adjudicative circumstances relative to the claim. Audience and committee feedback indicates that a number of claim managers believe it is not allowed at all. Jody and Scott will review possible methods of instituting a consistent policy throughout the claims floor, and will share their findings with the committee.

Char Alexander discussed the upcoming Governor's Industrial Safety & Health Conference, to be held October 20-21, at the Washington Trade & Convention Center in Seattle. The retro symposium will take place from 1:00 to 4:00 PM on Wednesday, 10/20/99. Vicky Mast will spearhead a subcommittee to plan the symposium.

Beth Johnson was introduced to the committee as a new staff member in the retrospective rating section. She discussed external access to claims data for retro customers. It is now available over the Internet, though you must still apply to the department and sign a contract before access will be granted. The external access information and training packets are in the process of being updated to reflect current technology. Beth also gave a brief description of the hardware and software requirements for Internet access; you must have an up-to-date version of a web browsing program (such as Netscape Navigator or Microsoft Internet Explorer), and an ISP connection to the Internet. Other than this, there is no additional cost involved.

Laura Smith discussed the upcoming changes to the monthly and quarterly reports; they will soon be produced only in electronic format (on CD-ROM disk) for retro groups and third party administrators. This change will take effect at the end of the year.

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Frank presented a Certificate of Appreciation to Tom Kwieciak (Building Industry Association of Washington), for his many years of dedicated service on the retro advisory committee; his term expired in June, 1999.

Bill Vasek (senior actuary) introduced Tom Hess, who recently filled a position as staff actuary for the department. Bill reviewed information regarding the performance adjustment factor (PAF) and how it is used in the calculation of retro premiums, as well as data on case incurred, case reserve, paid to date and developed losses. Much discussion ensued discussing the potential efficacy of using the PAF to achieve the recommendation of the JLARC performance audit report, versus a change from two to four premium adjustments.

Frank distributed the current version of the retro rules proposal, and asked the committee if they were in agreement on disposition of the items that affect all State Fund employers (proration, case review, payment of medical expenses by employer); Steve George stated that he felt the RAC should not vote on this issue until the special committee made their recommendation(s). Frank also discussed the appeals court ruling known as the Spears Decision, in relation to the apportionment of liability. Frank explained how the various states compare in this area, as well as accepted insurance practices. Steve George asked if the practice of assigning liability to the employer of last injurious exposure is based on accepted principles of insurance or instead 'mandated' by court decisions.

Dick Mettler asked that the retro advisory committee have the opportunity to meet and discuss the final version of the proposed rules prior to the public hearings.

After the timeline for proposed rulemaking was reviewed by Frank the meeting adjourned at approximately 3:30 PM.

The next committee meeting will be at 1:00 PM, Tuesday, October 12, 1999.